

**James Madison to Edmund Randolph, September 20, 1782. Party in Cypher. Transcription: The Writings of James Madison, ed. Gaillard Hunt. New York: G.P. Putnam's Sons, 1900-1910.**

**TO EDMUND RANDOLPH.<sup>1</sup>**

1 From the Madison Papers (1840).

Philadelphia, September 17, 1782.

Dear Sir, —My letters, by a private hand, subsequent to the last post, have anticipated the chief intelligence from Holland, which I had allotted for the post of this week. I have, however, one important article, which at that date lay under an injunction of secrecy, which has been since taken off. Mr. Adams, we are informed, has contracted with a mercantile house in Holland for the negotiation of a loan of five millions of guilders, or about ten millions of livres, for which he is to give five per cent. interest, and four and a half per cent. for commission and other douceurs and charges, which will raise the interest to about six per cent. The principal is to be discharged in five annual payments, commencing with the tenth year from the date of the loan. When the despatches left Holland, upwards of a million and a half of guilders had been subscribed, and upwards of one million actually received. The contractors, however, make it a condition that none of the money should be paid to the United States until the contract should be ratified by Congress. This ratification passed on Saturday, and its arrival in Holland will place under the orders of Mr. Morris the money which shall then have been procured. How far the amount will, by that time, have been augmented, is uncertain. The contractors seemed to be tolerably sanguine, but not absolutely sure, of getting the whole sum. The partial subscription already secured is a

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most seasonable relief to the Department of Finance, which was struggling under the most critical difficulties.

In addition to the preceding fund, Congress have been led, by a despair of supplies from the States, to sue for a further loan of four millions of dollars

for the service of the ensuing, and the deficiencies of the present, year. This demand will be addressed, in the first instance, to the Court of France. In case of miscarriage there, an experiment will be made on the liberality of our new friends.

The Legislature of Rhode Island has broke up without according to the impost of five per cent. Congress have apportioned one million two hundred thousand dollars on the States, for the payment of interest to the public creditors. Virginia is rated somewhat lower in this requisition than in the last; not, however, without complaints from some quarters. On these subjects you will have full information from Mr. Lee, who will set off in a few days, he says, for Virginia, in order to be at the October Session.

I should have told you that some progress had been made by Mr. Adams in the Treaty of Amity and Commerce with their High Mightinesses. His propositions, with the remarks and amendments of the College of Admiralty, had been taken *ad referendum*. It is somewhat extraordinary that he should omit to send us a copy of those propositions and remarks. He had taken no steps towards a Treaty of Alliance.

The debates and explanations produced by the resignation of Mr. Fox and his adherents, have unveiled some of the arcana of the British Cabinet. I enclose them for you complete, as far as they have been published here. If there be any sincerityoffice, it would seem that the war is not to be pursued against the United States, nor the independence suffered to be a bar to peace. We shall be able to judge better of this sincerity when the proceedings of Mr. Grenville come to our knowledge.

Mr. Cohen has advanced me fifty pounds of this currency, which,

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he says, is the utmost that his engagements, and the scarcity of money, will permit. I have given him an order on you for that sum, in favor of his partner at Richmond.

September 17.

On Friday two large French frigates, bringing money, &c. for the French army, and despatches for Congress and the French Minister, came into Delaware Bay. For want of pilots in time, they got entangled among the bars which perplex the navigation of this Bay. The appearance and bearing of the British fleet, after pilots were obtained, rendered it impossible for them to return into the proper channel. The only expedient that remained was to push forward and attempt, under the advantage of high water, to force a passage through the shoal which obstructed them. In this attempt, one of them succeeded. The other stuck in the sand, and was lost. All the public stores, particularly the money on board, have, however, been fortunately saved. The captain and crew, we fear, have fallen into the hands of the enemy. The ship, it is supposed, cannot be raised by them, having been scuttled before they took possession of her. The frigate which escaped is up at Chester. We expect the despatches will be here to-day. The Marquis Viominil, and twenty or thirty other French officers, have returned in these ships.